FBIS DAILY REPORT

CONTENTS

Latin America

Vol VI No 215 *6 November 1981*

INTER-AMERICAN AFFAIRS

Foreign Ministers To Meet in Panama 30 November A 1
FLASCO Reiterates Solidarity With Cuba A 1
Briefs: URUPABOL Agreement Approval; A 1
Maritime Congress in Chile;
Chilean Assistance to Paraguay

ARGENTINA

Economy Minister on Tax Evasion, Madrid Trip B 1
Army Commander Discusses Presidential Succession B 2
Former Junta Member Massera Criticizes Regime B 2
[HERALD 5 Nov]
Government Starts Party Statute Process B 3
Government Warns Against 7 Nov CGT March B 4
Political Party Support B 4
Army Unit Ends Military Maneuvers in Patagonia B 5

BOLIVIA

President Discusses Gradual Privatization of Economy C 1
Businessmen Urge Government To Decrease Role C 1
[PRESENCIA 1 Nov]

BRAZIL

D'Escoto Ends Visit; Joint Statement Issued D 1
Press Conference D 1
Joint 'Press Communique' D 1
[O ESTADO DE SAO PAULO 5 Nov]
Kenya Paper's Comment on Angola Help Denied D 2
New Soviet Ambassador Talks to Journalists D 2
[O ESTADO DE SAO PAULO 3 Nov]
PRC Delegation Now Visiting Sao Paulo Industry D 3
PETROBRAS President Going to PRC, Saudi Arabia D 3
[O ESTADO DE SAO PAULO 27 Oct]
Central Bank President on Economic Prospects D 4
[O ESTADO DE SAO PAULO 31 Oct]
Lula Makes First Political Appearance on TV D 5
Couto e Silva's Resignation Seen as Detrimental D 5
[O ESTADO DE SAO PAULO 29 Oct]
Workers Party Registered by Electoral Court D 6
Police Evict Vietnamese From U.S. Consulate Area D 6

CHILE

Guatemalan Foreign Minister's Visit Continues E 1
Courtesy Calls E 1
Awards; Joint Declaration E 1
Acceptance of Pope's Beagle Proposal Confirmed E 2
Government Takes Control of 8 Banking Institutions E 3
Church Leader Criticizes Exile of Political Leaders E 3
Claim of Sovereignty Over Glaciers Region Denied E 3
[LA NACION 1 Nov]

Foreign Minister Discusses Rights in Antarctic E 4

COLOMBIA

Two New Incidents Reported on Venezuelan Border F 1
Briefs: Romanian Assistance F 1

MEXICO

Foreign Secretary Castaneda on French, U.S. Ties M 1
[Paris LE MONDE 23 Oct]
Foreign Relations Secretary on Cancun Meeting M 2
Briefs: Hungarian Delegation M 3

CENTRAL AMERICA

COSTA RICA

Fourth Airplane Hijacker Identified by Police P 1

EL SALVADOR

Parties at Political Forum on Various Proposals P 1
[LA PRENSA GRAFICA 4 Nov]
Lawyers Say Hijackers Cannot Be Extradited P 2
[EL DIARIO DE HOY 4 Nov]
Problems Noted in Trade With Nicaragua P 3
[EL MUNDO 4 Nov]

HONDURAS

Central Bank Moves To Curb Financial Crisis P 3

NICARAGUA

Envoy Cruz: Government Willing To Talk With U.S. P 4
Reportage on D'Escoto's Visit to Brazil P 4
Joint Declaration Signed P 5
On Free Elections in 1985 P 5
Carrion on El Salvador, Plot Against Honduras P 5
Ramirez, Ruiz Meet Businessmen, COSEP Leader P 6
[Radio Corporacion]
Arce Meets With Democratic Conservative Leader P 7
[Radio Corporacion]
Liberal International Group Visits State Council P 7
Correction to Item on Arrests at Fabritex Plant P 7

OTHER COUNTRIES

ECUADOR

Opposition's Assad Bucaram Dies of Heart Attack V 1
Foreign Minister Assumes Office, Outlines Tenets V 1

VENEZUELA

President Campins in New Delhi on 3-Day Visit V 1
[cross-reference]
Ties Established With St Vincent-Grenadines V 1

FOREIGN MINISTERS TO MEET IN PANAMA 30 NOVEMBER

PA030310 Panama City Televisora Nacional in Spanish 2245 GMT 2 Nov 81

[Text] The Andean countries will present a common position to the rest of Latin American when the foreign ministers of the region meet in Panama in 1 month to analyze the relations with the United States. The Latin American Economic System, SELA, and the government of Panama have invited the 26 member states of the organization to debate the economic relations between Latin America and the United States.

The high-level meeting will be held from 30 November to 2 December. Another meeting of experts will precede it by 1 week. Before attending the Panama meeting, the representatives of the Andean Group, Bolivia, Colombia, Ecuador, Peru and Venezuela, will meet in Bogota on 21-22 November to set the subregional position before the SELA partners.

In the Panama meeting will study the following topics: the evolution and the tendencies of the economic relations between the United States and Latin America; the effects of the U.S. international economic policy; the Latin American economic policy towards the United States in the 80s; and measures to strengthen the negotiating capacity of the region vis-a-vis the United States.

FLASCO REITERATES SOLIDARITY WITH CUBA

FL040100 Havana Domestic Service in Spanish 0000 GMT 4 Nov 81

[Text] A reiterated solidarity with Cuba, described as the (?stoic) homeland of Latin American dignity, has characterized the fourth regular General Assembly of the Latin American School of Social Sciences, FLASCO, meeting at the Palace of Conventions. The opening ceremony was presided over by Jose Ramon Fernandez, vice president of the Council of Ministers and minister of education; Isidoro Malmierca, minister of foreign relations; Rodolfo Stavenha¸en, chairman of the FLASCO Higher Council; Daniel Camacho, secretary general of FLASCO; and Eustaquio Remedios, rector of the University of Havana.

The first speaker was Stavenhagen, from Mexico, who noted that the meeting was another chance to intensify and strengthen the ties between FLASCO and Cuba within the context of true Latin American cooperation. University of Havana Rector Eustaquio Remedios condemned the aggressive and expansionist policies of Yankee imperialism which seriously threaten world peace with the danger of a nuclear war in spite of the opposition of pacifist forces.

BRIEFS

URUPABOL AGREEMENT APPROVAL -- Montevideo, 29 Oct (AFP) -- It was officially announced here today that the Uruguayan Government has approved the URUPABOL [Permanent Joint Commission of Uruguay, Paraguay and Bolivia] constitutive agreement. The agreement to constitute the organization was signed in Asuncion on 29 May by representatives of Paraguay, Bolivia and Uruguay. [Text] [Paris AFP in Spanish 1356 GMT 29 Oct 81 PY]

MARITIME CONGRESS IN CHILE -- Delegations from 11 countries attended the opening ceremony of the seventh Inter-American Naval Engineering, Maritime Transportation and Port Engineering Congress in Vina del Mar, Chile, today. The opening ceremony was presided over by Chilean Navy Commander Jose Toribio Merino. The congress, which closes on 23 October, will discuss issues pertaining to construction and repair of ships, navy auxiliary industries, maritime and river transportation, fishing and naval science. [Buenos Aires LATIN in Spanish 2302 GMT 19 Oct 81 PY]

CHILEAN ASSISTANCE TO PARAGUAY -- Rear Adm Oscar Paredes, ASMAR [Naval Docks and Yards] director, has reported that ASMAR will grant technical assistance to Paraguay in compliance with an agreement signed today between the two countries. The ASMAR director reported that Chile will cooperate in the building of barges. [Paris AFP in Spanish 2253 GMT 22 Oct 81 PY]

ECONOMY MINISTER ON TAX EVASION, MADRID TRIP

PY052217 Buenos Aires TELAM in Spanish 2155 GMT 5 Nov 81

[Text] Buenos Aires, 4 Nov (TELAM) -- The economy minister stated this afternoon that when the refinancing bonus for company liabilities is approved, the package of deep-rooted measures established within the framework of the current economic program will be virtually completed. Minister Lorenzo Juan Sigaut made these statements at Ezeiza Airport just before leaving for Spain where he will attend the Latin American Economic Cooperation Conference organized by the Spanish Government.

The minister held a lengthy talk with journalists, during which he reiterated that the commercial exchange rate strengthens the exporting potential of the productive sectors. He based this belief on the adjustments which this type of exchange rate is subject to, the effects of international inflation and the difference between it and domestic inflation. Regarding domestic inflation Sigaut anticipated that during the month of October it would turn out to be low, increasing approximately 6 percent on retail prices. At this point he insisted on pointing out that the commercial rate of exchange favored exporters. Regarding the financial rate of exchange he stated that he had nothing to add to what he had already stated at the stock exchange, pointing out that we will maintain our position and there will be no changes.

In answering other questions he referred to the recently approved refinancing bonus on company liabilities and disclosed that the corresponding regulations should be ready in about 15 days, although, he stated, we hope to have them ready before then. He said there would probably be new types of regulations but did not elaborate. He pointed out that the bonus will help absorb a very heavy financial burden such as that endured by the productive sectors of the country.

He made special reference to the progress of the tax moratorium and pointed out that the preliminary results have even surpassed our own estimates. He also placed special emphasis on the struggle against tax evasion which is being carried out and praised the job being done in this regard by Gen Arturo Corbeta, military intervenor of the General Directorate of Taxation (DGI). He supported breaking the tax evasion mechanism and said those who persist in this crime will find themselves in a tight spot and will realize that it is worse not to pay up.

At another point the minister was asked about the policy to be followed regarding inflation and deficit next year, to which he answered that the first was directly related to monetary policy, and the latter he explained in the following terms. For us the deficit cannot and should not surpass 2 percent of the gross domestic product. In answering a journalist's question Sigaut denied his minstry engages in confrontation. He said: My ministry does not engage in confrontations with anyone; my ministry has a desire to serve and wishes to give the best solutions. The bonus solution did not stem from my ministry but is a solution given by a large sector of the executive branch and the entire national government.... Just take a look at the names of those who signed the decree.

The minister then referred to activities in Madrid by pointing out that tomorrow, Thursday, he will attend a luncheon given by the business association which is made up of the 120 largest Spanish businesses and banks. On this occasion he will refer to the 1981-84 Argentine economic program and will hold talks to exchange information regarding bilateral relations and the development of the world economy. On this occasion he will discuss the outlook for national and foreign investments in the main sectors to be developed in Argentina such as petroleum, gas, mining, coal, fishing, agriculture and industry. He also said that at the Latin American Economic Cooperation Conference Spanish-Latin American economic, trade, financial and technological relations will be discussed on a technical and political level as well as the consequences which Spain's entry into the EEC will have on Spanish-Latin American trade.

ARMY COMMANDER DISCUSSES PRESIDENTIAL SUCCESSION

PY051410 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1845 GMT 27 Oct 81

[Excerpts] Rio Gallegos, 27 Oct (NA) -- Lt Gen Leopoldo Galtieri, commander in chief of the army and member of the military junta, asserted here today that after he retires in 1982 "God, the Argentines and those in charge of making decisions will determine" the possibility of replacing Gen Roberto Viola in the presidency.

After observing the maneuvers this morning the army commander talked with journalists about various national and international issues.

In referring to possible U.S. disapproval of the strengthening Argentine-Soviet relationship in the trade and social fields, Galtieri stated: "Our comrades in the United States, the U.S. people and all the people of America shouid rest assured that the traditional Argentine way of life will not change for any commercial issue."

Later, when he asked about the possibility of becoming the next president to be elected by the military junta to replace General Viola he stated: "Despite the fact that we are in the midst of military maneuvers I do not want to avoid this question." He added: "According to the statutes the commander in chief ends his duties next year. I will retire after 40 years of service. After that, God, the Argentines and those in charge of making decisions will decide what will happen. I, particularly, would like a good rest."

Asked whether Viola would be replaced by a civilian or militaryman when he ends his term in government, Galtieri stated: "The military junta is in charge of that decision." In view of the journalists' insistance on this subject and answering a question on what the junta thought in this regard he stated: "I know what I think but will leave the thoughts of the other two commanders up to you."

In referring to journalist Jacobo Timerman's recent winning of a Columbia University award the army commander stated that "any international award granted by institutions which are historically prestigious, not politicized, is an award for Argentina, because there are many awards around but not all of them are real awards." Regarding the Argentine political and economic situation Galtieri only stated: "I am 55 years old. Many of these years have been spent in national activities. I believe in Argentina.... How about you?"

FORMER JUNTA MEMBER MASSERA CRITICIZES REGIME

PY052309 Buenos Aires HERALD in English 5 Nov 81 p 9

[Written answers by former junta member retired Adm Emilio Eduardo Massera to written questions submitted by Luis Varela and Nestor Restivo]

[Text] [Question] A few days ago Brigadier Graffigna said that the country was not in crisis but in recession. What's your opinion about this?

[Answer] The condition of both politics and the economy is dreadful. The only thing that has been achieved is victory over terrorism. No wonder the man in the street is dispirited and indifferent. If we have recession with inflation, destruction of the means of production, financial disorder, unemployment and the moral upheaval all this implies -- isn't this a crisis?

[Question] This is, no doubt, due to the failure of the Martinez do Hoz plan.

[Answer] Of course. If we're this bad off it's because of the utter collapse of an economic programme that nobody even tried to apply properly. It's also because of the insensitivity of people who thought that winning the war automatically entitled them to win the peace. Not only was the process unable to honour its promises of 1976 -- it also failed to create its own mystique. That's why things are as they are.

[Question] The government seems to be the only party unwilling to accept the existence of a crisis.

[Answer] The signs of the crisis are everywhere, in uncertainty and insecurity, in cultural involution, in educational limitations, in censorship which even pokes its nose into popular song lyrics, in inadequate health facilities. If this isn't a serious crisis, what else can you call it?

[Question] But you were one of them at first. When did you begin to change your mind?

[Answer] When we took over we had a series of objectives. We wanted to restore order, bring back peace, and cure the ills of the economy so that there would be enough for everybody. But even while I was still in the junta, infighting broke out, not only because of the economic policy but because of the slow steps that were being taken to restore democracy to the country. Before pulling out of the process I started to criticize it to myself first, when I saw how we weren't going in the right direction and how some of its men were ineffectual or ambiguous in their conduct. By the time I quit there wasn't very much left of the original spirit of the process.

[Question] When you left the process you started the Movement for Change [MNC] towards social democracy. What are your main objectives?

[Answer] We think nothing is as important as freedom and justice. We postulate a return to the constitution, which is perfectly good but for 50 years has been systematically ignored. Backing and filling by different types of government has meant that the powerful Argentina of the 20s no longer exists. We believe in private property but insist that it must have a social function as the Church says. We believe in federalism and are against this massive head of Goliath which is Buenos Aires. We call for major development centres which give some meaning to our vast territory and prevent the gradual breakup of our frontiers. We consider ourselves to be as far away from Marxist collectivism as we are from capitalist materialism. Social democracy calls on the state to supervise without interfering. We are naturally in favour of national sovereignty, and consider education and culture top priority subjects. We cannot forget what major scientists and inventors Argentina has had, apart from its importance to politics and its military victories on the field. And we feel that it is indispensable to ensure peace at home and outside.

[Question] But the crisis cannot be overcome if the social and moral cost is too high. young people must have a greater say in things, adults too if it comes to that.

[Answer] If moral and ethical values are at a discount nowadays, it is because people are frustrated by the economic upheaval and by the impunity with which many turned a crisis situation to their own advantage. Still, we can't continue eternally harping on what went past. We've got to build a new country using people who are morally clean and fresh and have creativity. The price we're paying for past mistakes is very high -- you can see it all around you. And the young people are worse off than anybody else, because on the one hand they're bewildered but when they try and say something they're repressed. I understand some young people who misbehave because it's one way of evading reality, but what we've got to give them is just that -- reality.

[Question] You talk about a new reality. How do you see the future in this context of scepticism?

[Answer] Well, I think there's an apocalypse on the way, but well, welcome to the apocalypse if it's the only way out. Are civilians ready to govern? Sure, if they are allowed to organize and get on with it. All they need is a bit of a chance and then we'll see whether or not a civilian can govern Argentina.

GOVERNMENT STARTS PARTY STATUTE PROCESS

PY051934 Buenos Aires Domestic Service in Spanish 1600 GMT 5 Nov 81

[Text] The Interior Ministry announced that it has begun to distribute to the political groups the guidelines drawn up by the military junta for the elaboration of the statutes for political parties.

The distribution was initiated by Eduardo Amaro Purcil, ministry under secretary for institutional affairs, during a meeting he had with representatives of the Progressive Democratic Party. It has been officially reported that leaders of other political organizations will visit the ministry for the same purpose in the coming days.

GOVERNMENT WARNS AGAINST 7 NOV CGT MARCH

PY060223 Buenos Aires LATIN in Spanish 1913 GMT 5 Nov 81

[Excerpt] Buenos Aires, 5 Nov (LATIN-REUTER] -- The Argentine military government has warned that it will not allow the "labor march" which political parties and labor unions are planning to hold on Saturday to protest the growing unemployment in the country. The march, organized by the Argentine General Labor Confederation (CGT), controlled by the Peronists and which received the support of a multiparty alliance, has been planned to take place on the day of Saint Cayetano, patron saint of labor in Argentina.

Every day Catholics organize a peregrination to Saint Cayetano's Church, west of Buenos Aires, but the military authorities who have prohibited the demonstration said yesterday that they will not allow the procession to be used or taken advantage of for other than strictly religious objectives.

The Interior Ministry released a communique stating that the police forces of every precinct have been instructed to guarantee the normal development of these religious festivities and to preclude their utilization for other purposes.

In the meantime, the CGT has reiterated its call to join the demonstration and explained that the idea of the march was to allow the labor, intellectual, professional, economic, educational and political sectors to perform an act of Christian faith by participating massively in the request for bread, work and happiness for the Argentine people.

Political Party Support

PY051044 Buenos Aires NOTICIAS ARGENTINAS 1300 GMT 2 Nov 81

[Text] Buenos Aires, 2 Nov (NA) -- Leaders of nine Argentine political parties have stated their support for the "labor march" which has been called by the General Labor Confederation (CGT) for next Saturday, and demanded a "general hike of salaries and wages." In a document released here today political leaders of the Justicialist Party, the various socialist factions, the Popular Conservatives, the Popular Party and the Communist Party, set forth their positions on this issue.

"No one is unaware of the plight of the unemployed and the underemployed who now number approximately 1.5 million. No one is ignorant of the fact that salaries have not only lost more than 40 percent of their purchasing power, but are no longer sufficient to protect the health of the worker and his family," the communique stated. This document, signed by the leaders of nine political parties, also repudiated Decree No 717 which authorizes private and state-owned enterprises to "study and propose" amendments to collective labor contracts whenever they deem that there are some who enjoy "privileged status."

The communique adds: "We understand and support the legitimate demands of the workers for: peace, by putting an end to the systematic attack on their working conditions and social gains; bread, by eliminating [as received] insufficient wages; and work, by changing the policy which is destroying the productive apparatus."

The political leaders also advocated "a general hike of wages and salaries, which would update the purchasing power of the workers, and the need to defend national industry from the objectives of the economic plan which has led the entire country to its current paralysis."

The declaration is signed by Andres Framini, Francisco Grillo, Salvador Timpanaro, Nestor Urresti and Mario Gonzalez (Justicialists); Raul Rabanaque Caballero, Jose Valles, Juan Villalba, Juan Crivaro and Juan Tacchini (Intransigents); Guillermo Frugoni Rey, Angel Bruno and Ricardo Hernandez Galera (Christian Democrats); Santos Russomanno and Daniel Bilbao (Popular Socialists); Jose Cosentino and Luis Bergonzelli (Confederated Socialists); Maria Solozabal and Hector Borawsk (United Socialists); Carlos Miguens and Carlos von Ifflimger (Popular Conservatives); Domingo Condolucci (Popular Line Party); and Antonio Martinovich, Enrique Salvi and Juan Cominguez (communists).

ARMY UNIT ENDS MILITARY MANEUVERS IN PATAGONIA

PY051611 Buenos Aires TELAM in Spanish 0545 GMT 31 Oct 81

[Text] Rio Gallegos, 31 Oct (TELAM) -- Div Gen Jose Rogelio Villarreal, commander of the V Corps, pointed out that the headquarters of V Corps will be established in Chubut Province (it is currently headquartered in Bahia Blanca), as a consequence of the creation of the IV Corps, but explained that for the time being this is only a plan and that it will be carried out when there are funds available to do so.

General Villarreal headed the military maneuvers carried out here by 6,700 soldiers of the V Corps in fields of the Killik-Aike farm situated on left-hand side of the Gallegos River, about 30 km from this city.

The commander voiced his satisfaction over the result of the maneuvers and referred to a minor accident which is liable to happen due to the difficult conditions in which the operations were carried out.

The troops' decampment started yesterday and it is expected that each unit will be at its headquarters by 5 November. During a ceremony at the end of the war games General Villarreal made a speech before the troops in which he pointed out that the exercises have served to prepare us to live in Patagonia and to defend this Argentine territory with the determination and capacity we will put into the defense of each centimeter of our territory.

PRESIDENT DISCUSSES GRADUAL PRIVATIZATION OF ECONOMY

PY051337 La Paz Radio Illimani Network in Spanish 1130 GMT 5 Nov 81

[Excerpt] The government program of the armed forces has stressed the immediate need to improve and modernize the three branches forming our institution, President Celso Torrelio Villa has said. This intention is due not only to the task of safeguarding our borders but has also the purpose of giving the armed forces a greater and more effective participation in the struggle for the economic and social development which will insure the great future which our fatherland deserves. These words were spoken in Oururo during a ceremony commemorating the 156th anniversary of the foundation of the Camacho Regiment.

He added that the government has set for itself the goal of applying the action and the philosophy of our institution in order to achieve development and set expanding limits for the development of society, particularly in the peasant community, and the inflexible defense of our wealth, whether human resources or natural wealth.

He referred to the willingness of the government to broaden the field of action of private enterprise by gradually reducing state participation, particularly in those sectors where state administration has led to a constant deficit. He then explained that this change of direction is a revision of the state management trend which has been followed by the country and which has led to the creation of a contradictory society. He said that this change of ownership in no way signifies an abandonment of those areas which are considered strategic or symbols of our will or basic spirit as Bolivians.

He announced that studies and appraisals will be made and that the government will then initiate a gradual transfer of some state companies to new forms of ownership and administration. He made it clear, however, that these or other actions will in no way leave the Bolivian workers to the fate of unemployment which would be the result of the economic attitude of those responsible for the current social crisis. He asserted that the functioning of a labor market which works only in accordance with the law of supply and demand will be the end result of the economic development process but never the means to achieve it.

President Torrelio Villa also said that the government program seeks a sustained and natural economic and social development for the whole country.

BUSINESSMEN URGE GOVERNMENT TO DECREASE ROLE

PY051126 La Paz PRESENCIA in Spanish 1 Nov 81 p 1

[Text] The Bolivian Private Businessmen's Confederation stated yesterday that the economic reactivation of the country and the establishment of an economic model granting the proper perspectives for an effective national development can only be achieved "by gradually eliminating active participation of the government in the private business sector and in the productive sector."

This statement is included in a study issued by the businessmen's confederation which complements the political study issued by that group last week.

The businessmen's confederation notes that "we believe that the government must gradually withdraw from the productive sectors leaving them in the hands of private enterprise, participate in undertakings that will benefit the nation through the distribution of wealth and exclusively dedicate itself to activities pertaining to national defense and to the establishment of the physical and social infrastructure."

The statement adds that despite many programs put forth in the belief that public investments would pull the country out of its backwardness, "the years elapsed have shown that the huge amount of public investments have fallen short of the established goals."

It notes that "the failure of the government in management and in private enterprise was completed. And because of its involvement in activities that were not of its competence it abandoned its true objectives. What is more, it defended errors committed by government enterprises by protecting them from private competition and by enforcing economic policies forcing agricultural, livestock and industrial producers not only to grant subsidies by accepting a freeze on prices on their products but also to endure higher costs through taxes and tariffs on imported resources, interest rates, credit margins and rates and tariffs because of the inefficient services supplied by government enterprises."

The private enterprise sector supports its criticism regarding the role of government in private enterprise with the recently issued 3-year plan which notes that one of the serious national problems is the "abominable state of government-owned enterprises which have been managed in an arbitrary manner and not in keeping with government guidelines."

Moreover, it supports the government plan to "dynamically promote the private sector by gradually withdrawing from government-owned enterprises and reducing the deficit of these enterprises."

It suggests "a gradual but firm transfer of all these activities to the private sector." But it warns that it will not accept "as is planned, a classification of existing government-owned enterprises and a transfer to the private sector of only those that are not profitable."

The businessmen's confederations adds that "this procedure shows once more the lack of conviction and consistency in the philosophy of the new economic development plan."

The 17-page statement issued by the businessmen's confederation reviews the 3-year plan that has been issued by the government. Although it supports this plan it suggests its immediate enforcement at all levels and particularly in those issues pertaining to the economic situation.

It adds: "Only specific deeds will show the degree of responsibility and conviction of the government and the effectiveness and coherence of those measures adopted within the new economic plan." It also notes the following:

Fiscal policy: "The budget will not be balanced if the main objective of the fiscal policy is to maintain employment levels."

Financial Policy: It supports the establishment of a stock market but it does not agree with the establishment of an economic-financial stabilizing council.

Monetary policy: "We fully agree with the government on the need to seek a realistic exchange policy. In this regard we must express our concern over the possibility of achieving this by establishing floating systems that are not in keeping with characteristics of our country."

The statement notes that the sector agrees with government plans to promote the development of national production sectors. It notes that certain ideas which have been supplied long ago by the business sector should be put in practice. The business confederation also discusses government plans for the social and cultural sector. It notes: "We agree with the announced government employment policy but we also note the need for authorizing freedom of contract." It adds: Moreover, an economic policy should be based on a proper social and cultural policy.

D'ESCOTO ENDS VISIT; JOINT STATEMENT ISSUED

Press Conference

PY051226 Buenos Aires LATIN in Spanish 0235 GMT 5 Nov 81

[Excerpts] Brasilia, 4 Nov (LATIN-REUTER) -- Nicaraguan Foreign Minister Father Miguel d'Escoto asserted here this evening that the Sandinist government will struggle to the final consequences against the threat of U.S. intervention in his country.

The Nicaraguan minister has ended an official 2-day visit to Brazil and during the press conference stated that he would be prepared to give up his priesthood if faced with a choice between that or having to leave the Nicaraguan revolutionary cause.

D'Escoto disclosed that he had requested from Brazilian authorities a credit line of up to $30 million to continue with the Nicaraguan economic reconstruction. Father d'Escoto, who explained that his support for the Sandinist revolution had been political and not with weapons, pointed out to the media his country's admiration for the Brazilians loyalty to the principle of international solidarity and nonintervention in the domestic affairs of other states.

But he simultaneously maintained that his government will continue to denounce the threat of U.S. intervention in Nicaragua which yesterday he termed as being latent. He explained that Sandinism will struggle to the final consequences against this threat. He added, however, that it will also continue to guide Nicaragua toward a real democracy and full social justice.

He pointed out that Sandinism has its own ideology which is profoundly nationalistic and explained that after the expulsion of Somozism (1979) Nicaragua did not resort to the supermarket of ideologies. He added that Sandinism is consistent with a principle of hristian generosity which stemmed from its own battle motto: "Unwavering in battle, and generous in victory." He added that many believed that executions would come with Sandinism but they were wrong.

The foreign minister once again criticized U.S. President Ronald Reagan whom, during a speech today, he charged with applying an inhuman policy of economic reprisals against the Nicaraguan people.

Joint 'Press Communique'

PY060206 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Nov 81 p 7

[Report on "Press Communique" issued following the 3-4 November official visit by Nicaraguan Foreign Minister Miguel d'Escoto Brockman]

[Text] In a press communique issued yesterday, Brazilian Foreign Minister Ramiro Saraiva Guerreiro and Nicaraguan Foreign Minister Miguel d'Escoto stated that they support finding a peaceful solution to the situation in Central America without any foreign interference so as to "create the proper conditions for the birth of truly just, stable and prosperous democratic societies and since the crisis this region is experiencing is based on historical and cultural causes."

The communique, which only refers to bilateral relations and the political situation in Central America, noted that the two ministers "agree on the need to uphold the principles of nonintervention and self-determination as a means to keep peace and protect the independence of Central American countries." The statement also noted that Foreign Minister Saraiva Guerreiro has accepted an invitation to visit Nicaragua next year. According to the press communique, the two foreign ministers advocated the establishment of a new international economic order based on the principles of "equality, justice, and mutual benefit," and noted the need to continue the North-South dialogue at the international level within the context of the United Nations.

Despite the terms of the communique, Brazilian Foreign Ministry officials said that the Brazilian Government does not seem interested in granting more political aid to Nicaragua beyond its reassurance of supporting noninterference in the domestic and foreign affairs of other countries.

As a proof of the slightness of this interest, Brazilian diplomats noted that in the speech he delivered yesterday at the luncheon in honor of Miguel d'Escoto, the Brazilian foreign minister said that the government of Joao Figueiredo "is in solidarity with the suffering and difficulties presently experienced by our sister peoples of Central America," but he noted that "because of our unwavering tradition of noninterference, something which characterizes Brazilian diplomacy, we have no formulas or answers to offer."

Further on Minister Saraiva Guerreiro justified Brazilian participation in the task of Nicaragua's national reconstruction by explaining that the Brazilian Government, "aware of the efforts of the Nicaraguan people to overcome their economic and social difficulties," had decided, "along with other Latin American nations, to contribute to these efforts to the extent of its possibilities."

The Brazilian foreign minister indicated that within the critical situation of Central America "the top priority is to reduce, as soon as possible, the already intolerable level of violence and extermination, and replace them with rational means like dialogue and political agreement."

The minister added: "We cannot but express our wishes that consensus be reached on the basis of moderate and realistic formulas which would reconcile reform and freedom, development and justice, thus building open, democratic and pluralist societies."

Minister Saraiva Guerreiro also emphasized: "We live amid an international atmosphere marked by the proliferation of crises and the increase of tension. In view of the prevailing difficulties, Brazil is making efforts toward conciliation and the quest for peaceful and equitable solutions, in keeping with its best traditions."

KENYA PAPER'S COMMENT ON ANGOLA HELP DENIED

PY051938 Rio de Janeiro O GLOBO in Portuguese 28 Oct 81 p 5

[Text] Brasilia (O GLOBO) -- Itamaraty reported yesterday that the editorial published by the newspaper DAILY NATION of Nairobi, Kenya, on a Brazilian project for military intervention in Angola "is absolutely groundless and is in total disagreement with the Brazilian foreign policy." The DAILY NATION said in its editorial that the Brazilians had reportedly told U.S. Vice President George Bush during his recent visit to Brazil that "they wanted to help the Angolan Government against the South African invasion."

NEW SOVIET AMBASSADOR TALKS TO JOURNALISTS

PY041549 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 3 Nov 81 p 4

[Text] Speaking to a group of journalists during a luncheon last Saturday, new Soviet Ambassador Vladimir Tchernichov noted that "as experience shows, the Soviet Union and Brazil can act in close cooperation and harmony for improving the international climate, eliminating sources of tension and sustaining the detente process."

That affirmation was made following the ambassador's mention of the recent meeting between Foreign Minister Saraiva Guerreiro and Andrey Gromyko during the last UNGA meeting. Tchernichov said: "The meeting of the foreign minister of the two countries in New York contributed to demonstrate shared viewpoints on these questions. For our satisfaction, that meeting was not an isolated event in the forward-looking development of Soviet-Brazilian relations."

Ambassador Tchernichov recalled that over the last years bilateral links "experienced a process of activation," as attested to by the reciprocal visit of congressional delegations (one of them headed by then President of the Chamber of Deputies Flavio Marcilio), and by new trade agreements resulting from the visits of Brazilian economic delegations to Moscow.

As for the need to establish a permanent regime of peace through understanding between the major powers, the Soviet ambassador said:

"World War II inflicted much suffering on humankind. History delivered a hard lesson and a similar tragedy should not be repeated. We hold the conviction that relations among states with different social systems must be based on the principle of peaceful coexistence, especially in this nuclear age." According to the ambassador, the Soviet Union today defends the idea that the conflict between socialism and capitalism "should be resolved in the area of peaceful work," not on the battlefield or through manufacturing weapons.

"We would like to see the border separating those two worlds crossed by roads of broad and diversified cooperation for mankind's benefit, not crossed by the trajectory of nuclear missiles." Tchernichov ended his talk with the journalists by citing a portion of a document published by the Supreme Soviet under the title "To the Parliaments and Peoples of the World": "The Soviet Union does not threaten anybody, does not provoke confrontation with any state whether of the West or East. The Soviet Union never strived, before or now, for military supremacy. It has not given nor will it give impetus to the arms race."

PRC DELEGATION NOW VISITING SAO PAULO INDUSTRY

PY041552 Sao Paulo Radio Bandeirantes in Portuguese 1030 GMT 4 Nov 81

[Text] The PRC trade delegation headed by the machine building vice minister is visiting Sao Paulo and has already visited the Sao Paulo State Federation of Industries [FIESP]. The PRC delegation is interested in learning about alcohol technology and machinery for the production of fruit juice. Today the delegation will meet with Volkswagen authorities and will also pay a visit to the Union of Machine Industry [presumably -- Sao Paulo Machine Tool Industries' Union].

PETROBRAS PRESIDENT GOING TO PRC, SAUDI ARABIA

PY041352 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 27 Oct 81 p 33

[Text] PETROBRAS President Shigeaki Ueki will travel to the PRC in the second half of November, or in the first half of December at the latest, according to sources of the Mines and Energy Ministry. He should negotiate there the purchase of more oil from that country in exchange for Brazilian goods and services. His decision to personally deal with this question was motivated by the fact that PRC crude oil supplies increased by 50 percent from January to September, going from 1 million barrels in 1980 to 1.5 million barrels now at a price $37 (CIF) per barrel.

Ueki is also supposed to accompany Mines and Energy Minister Cesar Cals to Saudi Arabia from 7 to 10 November to find out whether that country intends to continue supplying oil to Brazil and at what prices. The trip to the PRC should be scheduled immediately after his return from Jidda. And, according to the same sources, the signing of an oil transportation agreement and another on cooperation in the energy area should also be discussed during that trip.

PETROBRAS will try to negotiate through INTERBRAS the purchase of oil on terms more advantageous for the country, including a barter deal with railroad services, hydroelectric plants and highway construction and manufactured products.

PRC Machine Building Deputy Minister Yang Keng yesterday told Mines and Energy Ministry Secretary General Arnaldo Barbalho that his country wishes to expand trade between the two countries to "the maximum." He disclosed PRC interest in Brazilian technology for hydroelectric projects and for transmission lines, adding that, just like Brazil, the PRC is concerned about its future energy options and that "lots of experience in this can be exchanged between the two." According to Deputy Minister Yang Keng, the PRC Government uses coal on a large scale (an estimated annual production of 600 million tons) and has a great deal of experience with biomass energy producing units.

CENTRAL BANK PRESIDENT ON ECONOMIC PROSPECTS

PY052347 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Oct 81 p 22

[By Jose Antonio Ribeiro, special correspondent]

[Text] Canela -- Central Bank President Carlos Geraldo Langoni disclosed yesterday what the economic policy will be like next year. He said that overall loans will grow from 80 to 85 percent, just like this year; foreign exchange devaluation will be realistic, but not higher than the monetary correction; greater effort will be made to reduce indirect subsidies -- mainly those involved in credits -- which this year will amount to more than 700 billion cruzeiros; interest rates in the market's free sectors will remain unregulated; the government may adopt mechanisms to attract foreign resources to the tune of $15 billion like this year; inflation should be about 80 percent -- down from this year's 95 percent -- thus improving credit offer in real terms.

Langoni talked at the closing of the fourth National Congress of Security Brokers. The fact that he gave a picture of what can be expected for 1982 was appreciated by the audience, but some of the brokers, however, did not agree with Central Bank president's rather optimistic prediction of a good improvement of the economic situation in general and the industrial sector in particular.

Langoni backed his prediction with three factors: improvement of the economy's external sector as a result of lower oil prices and international interest rates; improvement of credit offer in real terms and possible reduction of internal interest rates; and resumption of production to replenish industrial stocks which have been moved out.

Langoni arranges his lecture to answer six questions he himself asked:

What will monetary policy be like in 1982? The budget will be made public in the first week of December and the great concern will be to consolidate the gains made this year in the fight against inflation and the balance of payments deficit. The budget will try to contain the monetary basis, not necessarily the overall credit offer.

What limit will be set on credit at unregulated interest rates and on the IOF [Financial Operations Tax]? Credit at unregulated interest rates will continue limited so as to prod the private sector to take foreign loans. Without yet making a decision, the government is studying the possibility of allowing greater expansion for institutions seeking foreign resources. Another measure being studied is a tax reform by changing the criteria for lowering financial cost so as to stimulate borrowing from abroad. The IOF, which is temporary, will be maintained.

What will the budget be like? Subsidies will continue to be reduced further in order to narrow the public deficit which is considered at present one of the main inflationary factors. Payments by the IAPAS [Institute for the Administration of Social Assistance and Welfare], payments of accounts for state-run enterprises and financing of coffee production have accumulated a deficit this year of 196 billion cruzeiros which went into the government accounting book under the "unforseeable accounts" heading.

What was accomplished in 1981? Inflation, which was expected to be 160 percent in a projection made at the end of 1980, was brought down to what will be 80 percent by year's end; a nearly $3 billion trade deficit in December 1980 was reversed to a surplus which could be as high as $800 million by year's end; foreign reserves were stabilized and should be expanded by now; a foreign exchange crisis that threatened to stall foreign loans negotiation was averted; recovery of external credibility thanks to a greater consistency between fiscal and foreign exchange policies.

What will the economy be like in 1982? Business will be reactivated because inflationary expectations will lessen and real credit offer will rise.

What will be done in the financial sector? Artificial interference will be cut down further and the government will be receptive to suggestions for the sector's modernization; a system for safekeeping and liquidation of private-owned securities; interbank deposit certificate will be created after congress completes examination of this matter; future market of public securities will be established; decree law No 1401 regulating investment of foreign resources in the stock market will be modified to make the system more attractive.

LULA MAKES FIRST POLITICAL APPEARANCE ON TV

PY050139 Buenos Aires TELAM in Spanish 1245 GMT 4 Nov 81

[Text] Sao Paulo, 4 Nov (TELAM) -- The presence of union leader Luis Inacio da Silva (alias Lula), leader of the Workers' Party [PT], has been a new indication of the political opening which is taking place in Brazil.

Lula was the only person interviewed in the political program which has the largest audience in the country broadcast by the Bandeirantes television network. This was his first appearance in that communications media in the past 4 years.

Far from the strike pressures implemented during his appearance 4 years ago, the union leader harsly criticized the economic leaders and challenge the Planning Minister Antonio Delfim Neto. I challenge the planning minister to live with his family on a salary of 12,000 cruzeiros for 1 month, Lula stated.

He stated that his party, the PT, has its doors open for all those who want to work to the full and with dignity. To former President Janio Quadros he explained that it will be very difficult for him to join the party because we are not used to [word indistinct] all of us.

Regarding the comings and goings of former communist leader Luis Carlos Prestes, who had reported on his joining the party only to withdraw again later, Lula stated that Prestes is the Janio Quadros of the Brazilian left.

He rejected criticism from the hardliners who accuse the Brazilian working sector of being radical, and added that the only thing which is really radical are our stomachs which are not filled by the meager salaries we are earning.

COUTO E SILVA'S RESIGNATION SEEN AS DETRIMENTAL

PY032052 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 20 Oct 81 p 3

[From the "Notes and Information" page: "Congress More Assertive Without Golbery"]

[Excerpts] The departure of Gen Golbery do Couto e Silva is beginning to have its negative effects on the governments's relations with congress: first with the rejection of the "intraparty subgroups" bill and later with the compromise among parties for the approval of the social security and health care bill. It can be seen that Planalto Palace has lost its ability to maneuver and that it is beginning to suffer an erosion of its influence because of this loss.

The departure of General Couto e Silva may have been beneficial for congress, which has become less manageable and has begun to work with greater independence, but it is certainly not so for the government, which is gradually getting used to the idea of accepting political defeats.

Couto e Silva's resignation, therefore, has helped the opposition to the extent that his ability to maneuver successfully has not yet been replaced at Planalto Palace. Because of his personal characteristics and background, Minister Leitao de Abreu does not seem inclined to match Couto e Silva's qualifications in that regard.

WORKERS PARTY REGISTERED BY ELECTORAL COURT

PY041355 Sao Paulo Radio Bandeirantes in Portuguese 1030 GMT 4 Nov 81

[Text] During last night's session held here in Brasilia the Supreme Electoral Court accepted the final registration of the Brazilian Worker's Party [PTB] headed by former Deputy Ivette Vargas. The last time the electoral court discussed this issue the voting for the PTB's registration resulted in 3 votes in favor and 3 votes against.

The point of disagreement over its registration was that the legal requirements had allegedly not been met.

Last night's session concluded with the favorable vote cast by (Murilo Alves), President of the Supreme Electoral Court, who was in favor of the PTB's final registration asserting that all legal requirements had been met.

POLICE EVICT VIETNAMESE FROM U.S. CONSULATE AREA

PY041734 Buenos Aires LATIN in Spanish 1646 GMT 4 Nov 81

[Excerpts] Rio de Janeiro, 4 Nov (LATIN) -- The Brazilian military police today evicted a group of Vietnamese refugees who encamped for a week in front of the U.S. consulate in Rio de Janeiro. A spokesman for the consulate said that the police -- who abandoned an effort to evict them yesterday afternoon due to the decisive resistance of the 45 refugees -- repeated the procedure at 0330 when the downtown area was empty.

The police today closed off the area -- a sector of the garden and an area of concrete between the consulate and the street -- where the Vietnamese had set up the camp.

GUATEMALAN FOREIGN MINISTER'S VISIT CONTINUES

Courtesy Calls

PY291756 Santiago Diplomatic Information Service in Spanish 0010 GMT 28 Oct 81

[Excerpt] Guatemalan Foreign Minister Rafael Eduardo Castillo Valdez paid a protocol visit today [27 October] to the defense minister.

He later held a working meeting at the Foreign Ministry and at noon he paid a courtesy call on President Pinochet who welcomed him during a special meeting held at Government House. Also attending this meeting was Foreign Minister Rojas Galdames.

During this meeting the distinguished guest handed President Pinochet a message sent by Guatemalan President Romeo Lucas Garcia. At the end of the courtesy call the Guatemalan foreign minister met with journalists and expressed his pleasure at having met the Chilean president and added: This is something on which the Guatemalan and Chilean Foreign Ministry officials have been working for quite some time. I believe that this visit will yield positive results for our two nations regarding cultural, economic, commercial and trade activities.

Awards; Joint Declaration

PY290237 Santiago Diplomatic Information Service in Spanish 2319 GMT 28 Oct 81

[Text] Yesterday Guatemalan Foreign Minister Rafael Eduardo Castillo Valdez decorated Foreign Minister Rene Rojas Galdames with the Grand Cross of the Order of the Quetzal and Deputy Foreign Relations Minister Col Fernando Arancibia Reyes with the Grand Cross of the Antonio Jose de Irisarri Order. This ceremony was followed by a reception offered by Foreign Minister Castillo Valdez in honor of Minister Rene Rojas Galdames and his wife, Foreign Ministry officials and other guests.

A Chilean-Guatemalan joint declaration was signed at the Foreign Ministry today in which the two foreign ministers asserted the determination of their governments to grant unrestricted support to the efforts being made by the world community for maintaining peace and strengthening international security which are the main bases for attaining a more just and stable world order. In this regard they fully agreed on the responsibility which all nations have to cooperate through dialogue as well as through harmonious coexistence in order to contribute toward creating an atmosphere of relaxation and confidence in relations between states.

In the joint declaration, in addition to reviewing the problems which affect many nations, they emphasized their unwavering support for the great principles established by international law, in particular for the principles of free determination of the peoples, sovereign equality of states, nonintervention in domestic affairs of other states, territorial integrity, inviolability of treaties and the strict fulfillment of international commitments undertaken, refraining from threats of the use of force in relations among states, the peaceful solution of controversies and rejection of the use of coercive measures of a political or economic nature.

In the declaration it is stated that the two ministers confirmed with satisfaction the excellent state of Chilean-Guatemalan relations and their prospects and pointed out that the coinciding points of view shown during the visit will allow an even closer bilateral relationship. At the same time they pointed out the importance which the following agreements have for this relationship: Cultural agreement which will allow the revitalization of traditional links in the cultural and educational field; Trade agreement which will allow an increase of trade between the two countries.

The Guatemalan foreign minister in this document thanked the Chilean foreign minister for his hospitality to him, his wife and party during their stay in Chile and extended a cordial invitation for him to pay an official visit to Guatemala. Minister Rojas Galdames gladly accepted the invitation. The return visit will be made at a date to be arranged through diplomatic channels. At the end of this ceremony the Guatemalan foreign minister left for Vina del Mar.

ACCEPTANCE OF POPE'S BEAGLE PROPOSAL CONFIRMED

PY032035 Buenos Aires LATIN in Spanish 1649 GMT 31 Oct 81

[Excerpts] Santiago, Chile, 31 Oct (LATIN-REUTER) -- Foreign Minister Rene Rojas said today that the pope's proposal to solve the dispute with Argentina in the south is a single entity and that there are no possibilities of modifying it. The holy father's proposal has been made once and for all, it is just, honorable and fair, as his holiness has said. We have accepted it and there is no other road, Rojas stressed in a discussion with newsmen.

The foreign minister answered a question related to the position assumed by Argentina, according to news reports from Buenos Aires, that the whole mediation should be resumed on a new basis and include all border qeustions between the two nations. The Chilean foreign minister stated: We have a very clear position and we have repeatedly stated it: the proposal is a single entity and the Chilean Government has accepted it.

President Pinochet yesterday had a closed meeting with Foreign Minister Rojas and the team of negotiators in the mediation process. Rojas said that it was an informative meeting during which the president asked for and we gave him a report on the progress of the process and the work our commission is doing. The president was very satisfied with the details we gave him. Rojas explained that nothing in particular happened during the meeting which transpired in the usual way, that is, characterized by the great quietness which is the spirit of our position. He admitted that the commission is working on a draft treaty containing the main ideas, developing the pope's proposal, and that this is the stage that should logically follow once the Argentine acceptance takes place.

GOVERNMENT TAKES CONTROL OF 8 BANKING INSTITUTIONS

PY042119 Paris AFP in Spanish 2242 GMT 3 Nov 81

[Text] Santiago, Chile, 3 Nov (AFP) -- Chilean President Augusto Pinochet warned today that the intervention decreed by his government with regard to eight banks and financial institutions is aimed at protecting the less affluent sectors. He who breaks the rules will be punished here, Pinochet said, referring directly to the fraudulent situations discovered by government control organizations which led to the detention of two of the main shareholders of the Bank of Spain in this capital.

The intervention became known yesterday when the government decided to appoint intervenors in the Bank of Spain, the Talca Bank, the Linares Bank and the Valparaiso Development Bank, as well as in four financial organizations which showed administrative deficiencies.

The control action, unprecedented in Chile in the last 8 years, had its origin in a number of internal problems in those institutions which caused mass withdrawals of deposits by savers because of rumors of imminent bankruptcies.

We wish to protect the less affluent people, those who are saving and have shown confidence in this system, the president said when asked about the scope of the drastic determination. Pinochet ruled out the possibility that the intervention would harm the Chilean image in international financial circles, maintaining that there would have been greater harm if we had remained silent, pretending that nothing had happened here.

At the Santiago Stock Exchange today all transactions of the banks under intervention and of the Capital Financing company, the General Financing Company, the Financing Company of the South and the Cash Financing Company, were suspended.

Meanwhile, plainclothsmen detained the businessmen Raul Sahli and Mauricio Tassara, majority shareholders of the Bank of Spain which appears as one of the most [words indistinct] losses estimated at $15 million.

Last month Sahli and Tassara reported that they had reached an agreement for the sale of their shares to the Bank of Santander which would solve the problems, but the operation did not take place. [Words indistinct] any detailed official reports, sources from the private sector said that the irregularities in the management of these companies came to light when the military government promulgated a new banking law last 19 August which led to criticism among shareowning economic groups.

According to that law, owners of banks cannot grant credits to other companies which they own. This is apparently what was done in the institutions now under intervention by means of so-called interlaced operations. There have been reports here, for instance, that the names of some managers and shareholders of the banks and financing companies appear again among the names in the managements of construction, insurance and industrial companies which have received credits from the former.

In the Chilean capital there are now (?20) banks and 16 financial institutions operating on a money market which has become livelier in the last few years because of the government's liberal policy.

CHURCH LEADER CRITICIZES EXILE OF POLITICAL LEADERS

PY052150 Paris AFP in Spanish 1420 GMT 5 Nov 81

[Text] Santiago, Chile, 5 Nov (AFP) -- According to a communique released here today by Cardinal Raul Silva Henriquez and a group of Catholic theologians, the expulsion of four opposition leaders last August is unfair, inhuman and an abuse of power.

This opinion was stated at the request of lawyer Jaime Castillo Velasco, sentenced to exile together with former ministers of state and parliamentarians Alberto Jerez, Orlando Cantuarias and Carlos Briones, whom the government has charged with violating the ban on politics which President Augusto Pinochet ordered 8 years ago.

The action of the government is unfair because no moral crime deserving such punishment has been proven, the theologians stated in their dictum, which Cardinal Silva Henriquez expressly endorsed in an attached letter to Castillo, former president of the Chilean Christian Democratic Party.

In his letter the church leader indicated that Castillo's misfortune "awakens in us sad thoughts about the fate of our beloved fatherland."

CLAIM OF SOVEREIGNTY OVER GLACIERS REGION DENIED

PY020135 Buenos Aires LA NACION in Spanish 1 Nov 81 p 16

[Text] (NA) -- The Chilean Embassy in Buenos Aires last night issued a document stating that the neighboring nation "had not intended to raise a sovereignty issue" over a "glacier region where the border demarkation has not been carried out in the field."

An official press communique indicated that the Chilean delegate to the UNESCO meeting for the protection of natural and cultural heritage "has voiced the appropriate reservations."

Herewith text of the communique:

In the light of reports carried out by various news media, the Chilean Embassy feels that it would be useful to point out:

1) When UNESCO approved an accord which involves a glacial area where the border demarkation has not been carried out in the field as yet, the Chilean delegate voiced the appropriate reservations;

2) There was no intention of raising a sovereignty issue but of leaving for the record a given fact so as to prevent possible misunderstandings within the framework of this international organization;

3) The delegate also announced that the Chilean Government will study the possibility of including the glaciers under its jurisdiction in UNESCO's list, thus complying with the purpose of the resolution which has been approved.

FOREIGN MINSTER DISCUSSES RIGHTS IN ANTARCTIC

PY050214 Paris AFP in Spanish 0337 GMT 4 Nov 81

[Text] Santiago, Chile 3 Nov (AFP) -- Chilean Foreign Minister Rene Rojas Galdames stated here today that any system that can be drawn up for the Antarctic would have to take into account the sovereignty which Chile and other nations have over it and that this sovereignty must not be affected on undermined at all.

He added that his country has duly proven its rights over and its century-old presence on the frozen continent. It is entitled to sovereignty over a portion of this continent. It is a cofounder of the Antarctic treaty and has consultative status within it.

Rojas Galdames emphasized that Chile has been and will continue claiming the role which it is entitled to play, on the above grounds, in the drawing up of regulations for Antarctic resources and their exploitation.

Opening the Antarctic week in this city, the foreign minister emphasized the patriotic and farsighted Chilean attitude when it marked its portion of the Antarctic on 6 November 1940, a portion which it later secured by installing its first Antarctic base, Captain Arturo Prat, in 1947.

TWO NEW INCIDENTS REPORTED ON VENEZUELAN BORDER

PA051640 Paris AFP in Spanish 0245 GMT 5 Nov 81

[Text] Bogota, 4 Nov (AFP) -- The Colombian defense minister today confirmed that there were two incidents yesterday between Colombian peasants and Venezuelan troops. As a result of the incidents, one person was killed, one wounded, and seven arrested by Venezuelan forces.

According to unofficial reports, the incident occurred when a Venezuelan rancher refused to pay salaries to a group of Colombian workers, who in turn seized one of his cows as indemnification. The military intervention ensued.

The armed clash occurred after the peasants captured four members of a Venezuelan patrol, who were later turned over to the Venezuelan authorities.

The two foreign ministries are discussing the incident. It was unofficially reported here tonight that a high Colombian Government official will go to the area tomorrow to investigate.

The Colombian Foreign Ministry issued the following communique tonight:

1. Yesterday, Tuesday, 3 November at 1000, a Venezuelan Army patrol made up of an officer, a noncommissioned officer and eight soldiers belonging to a company station in Casigu, Venezuela went to area known as Vereda de la Rinconada, apparently summoned by the owner of a farm who was having salary problems with some peasants.

2. Local residents, armed with shotguns, captured a corporal and three soldiers belonging to the patrol and turned them over to the Colombian military [words indistinct] stationed in the Cabarra area.

3. The Venezuelan commander at Tres Bocas spoke to the commander of the company stationed in [words indistinct] that he was missing some personnel.

The commander reported the facts to the commander of the Colombian 5th Brigade, who ordered that the soldiers be turned over to the Venezuelan commander today.

4. Yesterday at 1700, a Venezuelan National Guard patrol clashed with peasants near the previously mentioned area, killing one and wounding another. Apparently, the patrol captured seven persons and presumably took them to Casigua.

5. The Venezuelan soldiers captured by the peasants were turned over to the Colombian authorities this morning at Tres Bocas. They were turned over to two lieutenant colonels, one from the Venezuelan Army and the other from the National Guard.

6. The facts have been reported to the foreign minister so that a joint commission from the two countries can verify them and establish the corresponding responsibilities, and to discuss the proper border markings in the area.

BRIEFS

ROMANIAN ASSISTANCE -- Bogota -- The director general of the Colombian National Social Welfare Institute, Rodrigo Salas, who returned from a visit to Romania on Friday, announced that an agreement has been reached with the Romanian Government for technical assistance. The assistance will be rendered for specific projects, including the construction of a geriatric clinic, training of medical personnel, and sending of Romanian scientists to train Colombian colleagues. [Bogota Cadena Radial Super in Spanish 2330 GMT 2 Nov 81 PA]

FOREIGN SECRETARY CASTANEDA ON FRENCH, U.S. TIES

PM051549 Paris LE MONDE in French 23 Oct 81 p 4

[Francis Pisani interview with Mexican Foreign Minister Jorge Castaneda: "The Monroe Doctrine Is out of Date"; date and place not given]

[Text] [Question] French-Mexican relations have been good for a long time. How can they be further improved, and what do you expect from them?

[Answer] It is true that relations between our two countries can be described as good. In the future they can become more significant in the economic sphere and especially in the industrial cooperation sphere. Moreover, political cooperation, which was limited in the past, can be developed and reflected in concerted initiatives in the various international bodies. The French-Mexican joint statement on El Salvador is an excellent example of this.

[Question] How do you explain the problems sometimes encountered in putting into practice the understanding existing between the two countries?

[Answer] Generally speaking I might attribute them to a lack of mutual knowledge. To remedy this, therefore, collaboration between our two countries must be developed. If we take the example of the supply of Mexican oil to France, the problem arose from the fact that we had understood that the agreement was binding on the two countries. But the French Government had given responsibility for implementing the said agreement to the French oil company, over whose actions it did not intend to exercise direct authority.

However, by suspending its purchases, the French oil company adopted an attitude which we considered harmful to Mexican interests. Technically speaking there was nothing to stop the company from acting as it did. But we understood the pledge made by Mexico to supply oil to France to be an intergovernmental pledge which also involved obligations on the French Government's part.

Hence, we did not consider it legitimate for the French side unilaterally to suspend its purchases at a particularly difficult time for Mexico. Fortunately, the crisis was resolved in a satisfactory way for the two countries. From 1 November, France will resume its purchase of 100,000 barrels of oil per day at the price and quality conditions agreed between the two sides. (On 13 October an agreement was reached under the terms of which the French Total Company will resume its purchase of 100,000 barrels per day as from 1 November. Half will be supplied in the Ismo-type light and the other half in the Maya-type heavy oil — LE MONDE editor's note)

[Question] You have extensive ties with the United States and yet in many spheres you manage to pursue a policy which is independent of or even opposed to theirs. How can you do that?

[Answer] It is clear that our relationship with the United States is the most important for us, as is shown by our 3,000 km of common border, the fact that 2/3 of our trade is conducted with it and that more than half of our foreign investments come from the United States.

In addition, it is our main source of finance. It is not easy for a weak country to have relations in these conditions with the most powerful country in the world. However, thanks to a dignified attitude, we have gradually succeeded in winning greater acceptance. A new and extremely important phenomenon is starting to appear: the establishment of relations based on mutual respect, which enables them to be improved.

An Initiative Useful to the United States

[Question] The French-Mexican declaration on El Salvador is criticized for having been inadequately prepared, which would explain why it brought condemnation from several Latin American countries, including democratic governments like that of Venezuela. What do you think?

[Answer] I think that, on the contrary, the French-Mexican declaration was discussed in exceptional detail, and I observe that it has had a considerable effect in the world. A large number of countries have supported it. For instance, I will mention the Netherlands, Ireland and Austria in Europe.

The Socialist International has also taken a favorable stance. It is true that nine Latin American countries have come out against it. This is not in the least surprising coming from some of them. As regards Venezuela's attitude, it can possibly be explained by the close ties maintained between that country's government and the junta of which Napoleon Duarte is president.

Finally, I would like to add that the United States reacted cautiously. On some points it sees things differently, and that is natural. But it pointed to similarities between its position and ours.

[Question] Some observers are even beginning to think that in the long term the French-Mexican declaration opens up interesting prospects. What do you think?

[Answer] It is true that in time our initiative could prove useful to the United States. I think that it is rapidly gaining ground on the essential points. In other words, the need for a negotiated political agreement between the two sides is becoming clearer each day. We merely recognized a degree of representativeness on the side. Without that it could not be party to the negotiations.

Our initiative will be useful in that the solution which will prevail will not be military and based on the defeat of one of the two camps, but political and negotiated: We believe this to be desirable and possible.

[Question] Some political forces on the continent seem to want France to play a role in Latin America by helping the movements and countries trying to implement a policy based on independence from the great powers. How do you view this eventuality?

[Answer] Very favorably. Having good contacts with a government which represents other forms of organization makes political and ideological diversification possible. That is bound to have an excellent effect on the continent. In addition, it means that the Monroe Doctrine, rejected by the Latin American Countries, is out of date.

FOREIGN RELATIONS SECRETARY ON CANCUN MEETING

FL052041 Mexico City NOTIMEX in Spanish 2005 GMT 4 Nov 81

[By Rocio Sesma]

[Excerpt] Mexico City, 4 Nov (NOTIMEX) -- Secretary of Foreign Relations Jorge Castaneda de la Rosa said today that the accords reached in the North-South dialogue which took place in Cancun will bear fruit in the food-aid program between nations of the world.

Addressing members of the PRI and the Political, Economic and Social Studies Institute [Instituto de Estudios Politicos, Economicos y Sociales--IEPES], he stated that the representatives of the 22 nations which met in Cancun had agreed that the threat of world hunger was a great human shame in view of the ample land and technological resources available in the world.

Eleven days after the close of the international conference on cooperation and development, Jorge Castaneda said that during the joint working sessions between heads of state, it was agreed that progress and peace are binding, and there would be no prosperity in some countries without progress in all the rest. This is one definition, within the global negotiations worked out in Cancun, that will mark the success of the summit, Castaneda said.

In analyzing the diplomatic efforts carried out by Mexico, he explained why it was held here, why Cuba was excluded, and the protocols which provided the setting for the Cancun summit. Castaneda referred to the North-South commission headed by Willy Brandt, which after meeting in Paris in 1977, failed to reach any conclusions about the problems faced by both rich and poor nations.

The official spoke about the concern in the United Nations over North-South relations which gave way for Mexico and Austria to call for preliminary meetings in Vienna and for the group of 11 countries attending the meetings to vote in favor of excluding Cuba from the dialogue because Fidel Castro's presence would lead to the absence of the United States. He added that the North-South dialogue would have had no meaning in the absence of the United States. Because of its economic power and policy of aid to underdeveloped nations, priority was given to the United States.

Jorge Castaneda stated that the solution to agricultural problems to eradicate world hunger would be one of the first steps to follow within the mutual aid projects between North and South. He said the Cancun summit reinforced ongoing global negotiations in the United Nations and that in no way would they be substituted. He repeated that the nations that attended the summit understood that there would be no agreements over the topics to be discussed, that there would be no joint statement, and that if such was the case, the statement would fall under the responsibility of the two cochairmen. He explained the changes that were made on the eve of the summit concerning the attendance of some of the countries, since the Ivory Coast attended for Senegal and Guyana attended for Jamaica. The latter change was made because of the political change undergone by that Caribbean nation on the eve of the summit. [sentence as received]

BRIEFS

HUNGARIAN DELEGATION -- Mexico City, 3 Nov (NOTIMEK) -- Hungary's Communist Youth Union will study one of the phases of the electoral campaign of [presidential candidate] Miguel de la Madrid, within its activities which have been taking place here in the capital since 1 November, during Mexico-Hungary Friendship Week. The study will be made in order to learn about how a political campaign is conducted in Mexico. This will be the subject of a meeting between the Hungarian delegation director, Sandor Nagy; and the chairman of the executive committee of the PRI, Pedro Ojeda Paullada; as well as the secretary general of the PRI, Manuel Bartlett Diaz. [Text] [Mexico City NOTIMEX in Spanish 1910 GMT 3 Nov 81 FL]

COSTA RICA

FOURTH AIRPLANE HIJACKER IDENTIFIED BY POLICE

PA052309 San Jose Radio Reloj in Spanish 1730 GMT 5 Nov 81

[Text] Another hijacker has been identified. The police have identified a fourth member of the group that hijacked the SANSA plane, which was on a regular San Jose-Quepos flight. According to police information, he is an 18-to-19-year-old man with the last names of (Palacios Vega). This Nicaraguan illegally entered Costa Rica several months ago. He belonged to the Nicaraguan National Guard group known as the Chiguines, which was commanded by Anastasio Somoza Portocarrero.

EL SALVADOR

PARTIES AT POLITICAL FORUM ON VARIOUS PROPOSALS

PA052029 San Salvador LA PRENSA GRAFICA in Spanish 4 Nov 81 p 3, 42

[Excerpts] The reorganization of the revolutionary government junta and the Central Electoral Council [CCE] and the replacement of the education, labor and interior ministers; the presidents of the Salvadoran Institute of Agrarian Transportation; the National Financial Institution of Agrarian Transformation [Financiera Nacional de Transformacion Agraria]; and governors and mayors affiliated to any political parties were proposed yesterday by the political parties participating in the political forum.

Fortin Magana for Democratic Action

From the start, Rene Fortin Magana, representative of the Democratic Action Party, said that the holding of truly free elections within a process that inspires the necessary credibility of the voters constitutes the beginning of a solution of the grave national problems.

"It is evident," he said, "that the essential minimum conditions don't currently exist for such a process. Because of the violence, there are no guarantees for the security and freedom of action of the political parties. Added to the state of siege in effect for several months, this makes the effective exercise of the right to vote impossible."

Medrano for the Popular Orientation Party [PCP]

Gen Jose Alberto Medrano said that after the CCE is reorganized, it should be given economic independence. He also asked that, from the date of the convening of elections to the holding of elections, the commander in chief of the armed forces give all his support to the CCE so it can fulfill its delicate mission.

He said the CCE should have sufficient authority to avoid the abuses of government officials who might adversely try to influence the impartiality and honesty of the elections. It should even have the power to demand the dismissal of these officials.

"In sum," Medrano said, "we are proposing that in the area of elections, the CCE should have a legal standing equivalent to the other state branches."

D'Aubuisson for the Nationalist Republican Alliance [ARENA]

D'Aubuisson said that ARENA, faithful to its principles and objectives, will participate in honest, free and democratic elections that will guarantee the expression of the sovereign will of the Salvadoran people.

He said that in order to achieve this, the government must establish credibility through public and direct statements from: A. The high command of the armed forces; B. The revolutionary government junta; and C. The CCE.

He asked that the political forum be recognized as an institution which generates the obligatory regulations for the electoral process and the parties.

"We believe that elevating the political forum to an institution which generates the obligatory regulations for the parties and the holding of elections would serve as unquestionable proof of the government's adherence to the democratic doctrine..."

Rodriguez Gonzalez for the National Conciliation Party, PCN

From the start, Rodriguez Gonzalez said that he wouldn't be annoyed if there were talk of electoral fraud. He extensively explained the new mentality of the PCN. He clearly stated that the PCN will not form coalitions with anyone.

"The Salvadoran people have changed," he said. "It is currently not the same society. A radical change has taken place in Salvadoran society and changes are irreversible," Rodriguez Gonzalez said.

He stressed that freedom of enterprise is essential for the country's progress. He also said that his ideology is essentially democratic.

Alvergue for the Christian Democratic Party, PDC

Pablo Mauricio Alvergue, representative of the PDC, also participated in the political forum. He broadly explained the conditions of the PDC-armed forces pact which is the reason why they are in power. He also noted all the efforts that are carried out by the party to lead the country to a complete democratization. He said that, so far, the PDC has lost about 25 mayors and more than 40 councilmen as a result of violence throughout the country.

He said that the PDC is currently accused of having a majority in many institutions but it is forgotten that many people have not wanted to accept posts that have been offered to them.

LAWYERS SAY HIJACKERS CANNOT BE EXTRADITED

PA051659 San Salvador EL DIARIO DE HOY in Spanish 4 Nov 81 pp 3, 29

[Text] The extradition of the Nicaraguans who arrived in the country last week is illegal, a group of lawyers has stated, using Article 153 of the Salvadoran Constitution to back up their statement. They add that these Nicaraguans are not air pirates but political fugitives who came to El Salvador hoping to obtain political asylum.

The lawyers said they fully support lawyer Juan Ramon Rosales Rosales, who requested political asylum for the Nicaraguans. They noted that Article 153 of the Constitution clearly states the following: "El Salvador grants asylum to any foreigner who wants to live in its territory except in the cases established by law and international law. These exceptions do not include those who are persecuted solely for political reasons.

"Extradition cannot be applied to nationals in any type of case or to foreigners for political crimes even if, as a result of these, common crimes are committed."

The lawyers said that this Constitutional article fully applies to the case of the Nicaraguans who seek refuge in El Salvador. They believe that they can find great understanding here since the Salvadoran people are suffering from attacks by leftist terrorism against which the Nicaraguans who hijacked the Costa Rican airplane are fighting. The Nicaraguans had demanded the release of other Nicaraguans who were imprisoned for blowing up a leftist radio station supporting Sandinism.

The Salvadoran lawyers said that the extradition of the Nicaraguans is inadmissible and they have a legitimate right to request and obtain political asylum which is guaranteed by our constitution.

The lawyers said that it would be unjust to extradite these Nicaraguans who came to El Salvador for refuge and asylum, believing that the country is aware of the seriousness of the situation created by the leftist Marxists-Leninists, since the Salvadoran people have suffered from the damage caused by the international communist movement.

PROBLEMS NOTED IN TRADE WITH NICARAGUA

PA052303 San Salvador EL MUNDO in Spanish 4 Nov 81 p 28

[Excerpts] The Chamber of Commerce and Industry of El Salvador has stressed the urgent need for the central banks of our country and of Nicaragua to review a formula for compensatory payments, to avert the total stagnation of bilateral trade with the great risk that this represents to their respective economies.

According to information received by the press, Salvadoran manufacturers and exporters of textiles, plastics, [word indistinct] and other products have received no payment for orders sent to Nicaragua, although the Nicaraguan importers claim to have made the corresponding deposits in the Central Bank. Thus, a large debt has accumulated.

Foreign exchange difficulties, the chamber said, are also preventing the fulfillment of financial commitments by Salvadoran firms that import raw materials from Nicaragua, particularly caustic soda and other chemical products. To resolve this irregular situation, which affects the two countries' trade, the chamber feels that the Central Reserve Bank of El Salvador should take the initiative and, in agreement with the Central Bank of Nicaragua, establish a system of compensatory payments, to make it possible to meet the commitments of the two countries' industrial and business sectors pending the normalization of foreign exchange available for the two countries' respective balances of payments.

HONDURAS

CENTRAL BANK MOVES TO CURB FINANCIAL CRISIS

PA052350 Tegucigalpa Radio America in Spanish 1145 GMT 5 Nov 81

[Excerpts] The Central Bank of Honduras Directorate has admitted that we are submerged in a financial and economic crisis. As a result, the Central Bank has decided to modify both existing interest rates and cash reserves and to take steps to prevent overdrafts in accounts at state institutions.

The Central Bank of Honduras Directorate admitted that the country's financial and economic crisis requires that the balance of payments deficit be corrected, that savings be increased and that national production, especially the production of articles for export, be promoted.

In resolution 389-1181, dated 3 November 1981, the directorate approved 15 measures. First, it decided to ease the conditions established for authorizing the private sector's foreign debt, for both banks and enterprises, as long as the resources under contract are to be used to finance productive activities. Further, within the Central Bank's authorization of foreign debt assumed for the financing of imports, it has been decided to allow the branches of foreign banks to render automatic payment upon completion of the respective import.

The directorate also authorized the Central Bank president, in joint action with the Finance Ministry, to contract for up to $100 million in foreign resources and to deal with domestic private banks in the creation of a special fund for loan renegotiation, for use in financing the production and export of sugar and coffee.

The interest rates applied to operations by banks with foreign funds are also to be decontrolled. The cash reserves required for foreign exchange deposit liabilities will be established at 30 percent for nonwithdrawable demand liabilities on long-term deposits; 20 percent for deposit certificates valued at no less than 50,000 lempiras or $25,000, issued on a 3-12-month term; and 15 percent for savings deposits at the savings and loan associations. The Central Bank authorities also established new renegotiation rates and eligible percentages.

In support of the measures ordered by the presidency to curb public spending, the Central Bank has decided to adopt administrative measures to prevent overdrafts in public sector accounts and in those of banking sectors that manage their deposits through this regulating institution. The Finance Ministry and the Central Bank will authorize the additional credit granted to the central government through the overdraft on national treasury accounts. So that this financing may be absorbed by the private sector and by government organizations with financial surpluses, it is recommended that this debt be paid at market interest rates of 10 to 12 percent.

All of this has caused the directorate to temporarily invalidate the dispositions and sanctions contained in provisions 2, 3 and 4 of resolution 340 and (?1189), adopted on 6 November 1979. Finally, it set an interest rate of 16 percent on extraordinary advances and liquidity. Furthermore, it established a renegotiation rate of 17 percent and a second loan interest rate of 20 percent for the financing authorized through the special fund for production and export of coffee and sugar.

NICARAGUA

ENVOY CRUZ: GOVERNMENT WILLING TO TALK WITH U.S.

PA051922 Managua Radio Sandino in Spanish 1200 GMT 5 Nov 81

[Text] The Nicaraguan Government has reiterated its willingness to hold a dialogue with the United States in an official note delivered last night by Nicaraguan Ambassador in Washington Dr Arturo Cruz to Stephen Bosworth, assistant to Thomas Enders, assistant secretary of state for inter-American affairs.

Interviewed by the new NICARAGUA NEWS AGENCY, ANN, Ambassador Cruz said that although the relations between the two countries are tense, the communication channels continue to be normal. During the discussion with Bosworth, Cruz noted, we reiterated our government's willingness to continue talks initiated in August during Enders' visit to Managua for the purpose of reaching an understanding.

Cruz reported having met with the director of the State Department's Central American Affairs Office, (Graig Johnston).

Concerning the recent visit to Washington of several days by Julio Lopez, FSLN international relations chief, Dr Cruz said it had been most important because of his extensive contact with the media. During his visit, he was interviewed on television, by several newspapers with large circulations such as the Washington POST and by several magazines.

Lopez also met in New York with the U.S. representative at the United Nations, Jeane Kirkpatrick, with whom he talked in a most positive and frank manner which is the way our government handles these activities, Cruz concluded.

REPORTAGE ON D'ESCOTO'S VISIT TO BRAZIL

Joint Declaration Signed

PA051927 Managua Radio Sandino in Spanish 0300 GMT 5 Nov 81

[Text] Brasilia -- Nicaragua and Brazil today signed a joint declaration in which they stress the need to find peaceful solutions and to foster the birth of democratic societies in Central America.

The document, which contains 14 points, is the result of a number of meetings held for 2 days by Nicaraguan Foreign Minister Miguel d'Escoto with his Brazilian counterpart Ramiro Saraiva Guerreiro during d'Escoto's official visit to Brazil.

The two countries came out in favor of respect for the self-determination of peoples, nonintervention, sovereignty and freedom. They also underscored the importance of strengthening and tightening their present relations.

Foreign Minister Saraiva Guerreiro came out in favor of nonintervention in Central America, stressing that each people must find effective and lasting solutions tc their problems. He also expressed Brazil's solidarity with the sister peoples of Central America and asserted that his country is willing to continue offering cooperation to implement the national reconstruction programs which the Sandinist revolution is prompting.

Father d'Escoto said that Brazil is trying to achieve conciliation and to search for peaceful and balanced solutions in an international climate marked by a growing crisis and increased tensions.

On Free Elections in 1985

PY051233 Paris AFP in Spanish 0317 GMT 5 Nov 81

[Excerpts] Brasilia, 4 Nov (AFP) -- Nicaraguan Foreign Minister Father Miguel d'Escoto disclosed here today that for the first time in 100 years the Nicaraguan people will have a free election in 1985.

During a press conference he stated that the people will elect a constituent assembly and the president of the republic. He also stated that at present Nicaragua is experiencing a period of emergency but that it has already held indirect elections in congress and direct elections at a local level.

The foreign minister accused the international press agencies of issuing tendentious information about his country. He also mentioned the information published by the Washington POST and the New York TIMES which he termed as false. Those dailies referred to the arrival of 500-600 Cuban commandoes disguised as tourists to Nicaragua, which is an unfounded report he emphasized.

The minister will leave Brasilia on Friday for Panama.

CARRION ON EL SALVADOR, PLOT AGAINST HONDURAS

PA051906 Managua Radio Sandino in Spanish 1200 GMT 5 Nov 81

[Text] Peace cannot become a reality if the political crisis in El Salvador is not settled, Commander of the Revolution Luis Carrion Cruz said last night at the Ruben Dario University auditorium, within the framework of the Carlos Fonseca ideological rally in tribute to the fallen Sandinists on 4 November 1967.

Commander Carrion said there is an obstacle in the Central American area preventing the consolidation of peace, namely, U.S. policy which has turned down a negotiated solution to the conflict of El Salvador in favor of settling the internal situation in that country through armed repression and increasing military aid to the antipopular junta.

The member of the FSLN National Leadership also reported, concerning the Central American scene, the organization of tripartite military alliances referring to the proposal of Salvadoran Defense Minister [Jose] Guillermo Garcia at the American armies meeting underway in Washington. The ranking military chiefs are neither merely holding a meeting nor discussing peace, especially when you consider it is being conducted under the protection of the United States, the deputy interior minister said.

He expressed concern about such military conclaves, to which Nicaragua was not invited and asked: For whom are these meetings and alliances being made? To face what or whom? He added that the imperialists are exhorting the Armies of Guatemala and Honduras to plunge into a military intervention against the Salvadoran people. With this in mind, they are preparing a publicity campaign against Nicaragua which includes the supposed presence of Cuban troops who leave our country to go to El Salvador to intervene in the internal conflict of that country.

Commander Carrion Cruz charged that the United States did not want peace in the Central American area, that they actually want to make the situation worse in the region. The crisis on the isthmus can be solved, he concluded, only through a policy of peace based on the preservation of world peace.

In another part of his statement, Carrion said Somozist guardsmen are plotting a dangerous provocation to involve Nicaragua in a conflict with the Honduran Government.

Before a large crowd of university students, the deputy interior minister revealed the plans of the former guardsmen, which consist in the attack of a Honduran town near the Nicaraguan border by Somozists wearing uniforms of the Sandinist People's Army. This would provoke a confrontation between the two countries and provide the United States with a pretext for its aggressive plans against the Sandinist revolution, Carrion Cruz added.

He based his statement on the recent hijacking of a plane in Costa Rica and on other criminal activities that these groups have committed in those countries that have granted them political asylum.

It is necessary for the people, he concluded, to join forces in order to eliminate the Somozists in the various Central American countries in which they continue to cause serious harm to honest people in the area.

RAMIREZ, RUIZ MEET BUSINESSMEN, COSEP LEADER

PA060400 Managua Radio Corporacion in Spanish 1200 GMT 5 Nov 81

[Orion Elpidio Pastora report]

[Text] Henry Ruiz, commander of the revolution and planning minister, on behalf of the FSLN National Directorate; and Dr Sergio Ramirez Mercado, on behalf of the junta of the Government of National Reconstruction, met with four representatives of Nicaragua's big business and with the acting president of the Higher Council of Private Enterprise [COSEP], (Alejandro Bolanos).

The representatives of Nicaragua's largest enterprises participated in this high-level talk with the country's leaders to discuss the private sector's situation following the events that culminated with the sentencing of three COSEP leaders to 110 days in prison.

(Carlos Pelas), (Alberto Chamorro), (Antonio Lacayo) and (Rodolfo Dors), all businessmen and owners of Nicaragua's biggest private companies, explained to Commander Ruiz and to Dr Ramirez Mercado that they decisively support COSEP. They added that the detention of COSEP leaders seriously harms the existing relationship and affects the Nicaraguan businessmen's situation.

No mention was made of the government officials' response. It was said, however, that, as on previous occasions, the discussion was held in a climate of cordiality and understanding.

ARCE MEETS WITH DEMOCRATIC CONSERVATIVE LEADER

PA060357 Managua Radio Corporacion in Spanish 1200 GMT 5 Nov 81

[Text] Commander Bayardo Arce Castano and prominent Democratic Conservative politician Dr Emilio Alvarez Montalvan met for an hour yesterday afternoon at the headquarters of the Sandinist National Liberation Party's political secretariat. Naturally, the conversation dealt with current national problems. Although the topics discussed have not been disclosed, they presumably reviewed recent developments and the internal and external pressures currently being exerted on the revolutionary government.

The discussion between Arce Castano and Dr Alvarez Montalvan lasted from 1600 to 1700, but it is not known what conclusions they reached. Alvarez Montalvan refused to comment yesterday evening.

LIBERAL INTERNATIONAL GROUP VISITS STATE COUNCIL

PA051550 Managua Radio Sandino in Spanish 1800 GMT 4 Nov 81

[Report by unidentified newsman from State Council in Managua]

[Excerpt] [Passage indistinct] ...under secretary general of the Liberal International, Commander Carlos Nunez, president of the State Council, welcomed the delegation. (Richard Standbur), president of the Canadian Liberal International, asked if he could greet the State Council. The officers of the State Council granted his request.

Speaking to the State Council delegates, (Standbur) said that the Liberal International was established in 1947 by European liberal parties and that, during the past 30 years, the issue of unity has been of concern. He also said that this organization had nothing to do with the Liberal Party of the Somozist dictatorship since the Liberal International respects a mixed economy and agrees that the central government should make its decisions on the basis of the social needs of the people.

CORRECTION TO ITEM ON ARRESTS AT FABRITEX PLANT

The item entitled "CAUS Members Arrested at Fabritex Company Plant" published in the 4 November Latin America DAILY REPORT on page p 7 should have the following sourceline inserted: PA030437 Managua Radio Corporacion in Spanish 1200 GMT 2 Nov 81.

ECUADOR

OPPOSITION'S ASSAD BUCARAM DIES OF HEART ATTACK

PA060218 Paris AFP in Spanish 2252 GMT 5 Nov 81

[Text] Quito, 5 Nov (AFP) -- Assad Bucaram, leader of the Concentration of Popular Forces, died a few minutes ago at the Kennedy Clinic of Guayaquil, victim of a cardiac arrest. The death of the charismatic political leader was announced a little while ago by Raul Baca Carbo, chairman of the National Congress.

FOREIGN MINISTER ASSUMES OFFICE, OUTLINES TENETS

PA051747 Quito Voz de los Andes in Spanish 1230 GMT 5 Nov 81

[Excerpt] The president of the republic has installed and administered the oath of office to the new foreign minister, Luis Valencia Rodriquez, who replaces Alfonso Barrera Valverde in this portfolio.

The new foreign minister is a career diplomat. He entered Ecuador's foreign service on 4 December 1944. Ecuador's foreign policy is inspired on the general principles of international law, the new foreign minister has said.

Regarding the age-old problem with Peru, he added that:

[Begin recording] The most far-reaching international problem and the heaviest burden endured by the country is the territorial controversy with Peru, which became worse with the imposition in 1942 [of the Rio de Janeiro Protocol].

Ecuador's position in this respect was clearly outlined in the platform of the incumbent constitutional government and the earnest desire of the Ecuadorean people as was set forth by President Hurtado in his speech of 10 August 1981, when he said that Ecuador is seeking a peaceful and just solution to the border problem with Peru.

Ecuador reiterates its constant invitation to Peru to open talks for a just and definitive settlement of the problem. [end recording]

VENEZUELA

PRESIDENT CAMPINS IN NEW DELHI ON 3-DAY VISIT

For Delhi coverage of the visit of President Luis Herrera Campins to India, including reports on speeches made at a banquet given in his honor and his remarks at a 4 November news conference, see page E 1 of the 5 November South Asia DAILY REPORT.

TIES ESTABLISHED WITH ST VINCENT-GRENADINES

PA031835 Buenos Aires LATIN in Spanish 1408 GMT 3 Nov 81

[Text] Caracas, 3 Nov (LATIN-REUTER) -- Venezuela has established diplomatic relations with St Vincent and the Grenadines, fishing islands of the Eastern Caribbean which encompass a total area of 150 square miles.

A Foreign Ministry communique announced last night that the establishing of relations at embassy level was decided upon in view of the "increasing ties of friendship and cooperation between the two peoples."

The communique states that Venezuela will establish its ties through its embassy in Kingston.